

**FILED**

**JAN 10 2014**

**SECRETARY, BOARD OF  
OIL, GAS & MINING**

**BEFORE THE BOARD OF OIL, GAS AND MINING**

**DEPARTMENT OF NATURAL RESOURCES**

**STATE OF UTAH**

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**IN THE MATTER OF THE REQUEST )  
FOR AGENCY ACTION OF WHITING )  
OIL AND GAS CORPORATION FOR )  
AN ORDER AUTHORIZING THE )  
VENTING OR FLARING OF GAS )  
FROM THE WELLINGTON FLATS 15- )  
11-18E WELL LOCATED IN SECTION )  
18, TOWNSHIP 15 SOUTH, RANGE 11 )  
EAST, S.L.M., IN THE WELLINGTON )  
FLATS AREA OF CARBON COUNTY, )  
UTAH )**

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**REQUEST FOR  
AGENCY ACTION**

**Docket No. 2014-009  
Cause No. 280-03**

**WHITING OIL AND GAS CORPORATION**, by and through its undersigned attorneys and pursuant to Rule R649-3-20.5 of the Utah Administrative Code, hereby petitions the Board of Oil, Gas and Mining ("**Board**"), for an order authorizing Whiting Oil and Gas Corporation ("**Whiting**") to vent or flare associated gas in amounts in excess of that authorized by law. In support of this Request, Whiting respectfully states and represents as follows:

1. Whiting is a Delaware corporation in good standing, having its principal place of business in Denver, Colorado. Whiting is licensed to do business, and is doing business, in the State of Utah.

2. The Board has jurisdiction over the parties and over the subject matter of this Petition pursuant to Chapter 6 of Title 40 of the Utah Code.

3. Whiting is the operator of the Wellington Flats 15-11-18E, a horizontal well in Carbon County, Utah (the "**Well**"). The Well's surface location is situated in the SW¼NW¼ of Section 18 of Township 15 South, Range 11 East, S.L.M., and the bottom hole (terminal lateral) is situated in the SE¼NE¼ of Section 18 of Township 15 South, Range 11 East, S.L.M. The Well is sited on State of Utah Oil, Gas and Hydrocarbon

Lease ML-49795 given by the Utah School and Institutional Trust Lands Administration (“SITLA”) dated effective June 1, 2005 (the “Lease”). See Exhibits “A” and “B” attached hereto and incorporated herein by reference.

4. Although several wells have been drilled, and even a few completed, that penetrate the Moenkopi formation in the Project Area, there are insufficient commercial wells within the area to justify pipeline construction at the current time.

5. The Well and Lease are currently subject to the Board’s well-location and siting rules.

6. Whiting completed the Well in April 2013 and tested the Well at a rate of 166 BOPD.

7. In answering each of the requirements established in Rule 649-3-20.5 for gas flaring or venting hearings, Whiting states and alleges that:

a. **Statement Justifying the Need to Vent or Flare More Than the Allowable Amount.** The Well is currently capable of producing between 300 MCF/D and 700 MCF/D of casinghead gas, which production rate exceeds the 1,800 MCF per month limit (approximately 60 MCF/D) authorized by R649-3-20.1.1 without approval of the Board. Whiting has considered customary alternatives to gas venting or flaring and concludes that the pipeline alternative would ultimately be the most feasible, assuming that Whiting’s play is proven to be commercial. There is currently no gas pipeline gathering system to market gas produced from the Well. The closest gathering line and compression facilities are 2.5 miles distant from the Well. Whiting has consulted surface owners along possible routes for a surface line to the gathering and compression line, but such surface owners have indicated they will not allow a surface line. Construction of a buried pipeline gathering system to market the gas, considering both current oil and gas prices, would likely render the Well uneconomic, as noted in the economic analysis below. Extensive environmental analysis and permitting would be required, without any guarantee of approval, and the pipeline planning construction process will require a minimum of one year. Whiting will continue to produce the Well only if it is allowed to

flare gas beyond the allowable limit.

b. **Description of Production Test Results.** Whiting produced the Well for 56 days during the months of April, May, and June 2013 before shutting in the Well in July 2013. During this period, the Well produced 2,601 BO; 19,547 MCF of gas; and 4,302 bbls of water. The Well averaged 46.5 BOPD, 76.8 BWPD, and 349 MCFPD over this 56 day period.

c. **Chemical Analysis of Produced Gas:** A chemical analysis from the subject well is attached hereto as Exhibit "C" incorporated herein by reference.

d. **Estimated Oil and Gas Reserves:** This is an exploratory well with limited test results from an initial perforated section. However, based upon the minimal testing performed to date, recoverable gas reserves could theoretically be 490 million cubic feet ("MMCF") and recoverable oil reserves could be theoretically be 41,000 bbls. However, additional testing is required to realistically evaluate the possible oil and gas reserves from the Well.

e. **Description of Reinjection or Other Conservation-Oriented Alternative.** Reinjection would require several successful well completions in the immediate area before becoming an economic alternative. Reinjection would also require overcoming significant regulatory and logistical hurdles. At this time, reinjection is not a viable alternative for these reasons. Whiting is unaware of any other workable "conservation-oriented alternatives," having considered, in addition to reinjection, compression, gas to liquid, gas to wire, use on leasehold, and pipeline alternatives.

f. **Description of the Amount of Gas Used in Lease Operations:** Lease operations for the Well currently use approximately 120 MCF/D of gas, leaving approximately 300-400 MCF/D of gas to be flared.

g. **Economic Evaluation Supporting Operator's Determination that Conservation of Gas is Not Economically Viable.** Whiting considered compressed natural gas, gas to liquid, gas to wire, gas injection, use on lease, and a pipeline as possible alternatives to gas venting or flaring. No alternative at current gas and oil prices

would likely be economically feasible. Assuming a net wellhead gas sales price of \$2.50 per Mcf and crude oil at \$90.00 per bbl, coupled with an estimated pipeline construction or gathering system and CO2 processing cost of \$1.00-3.00/Mcf, the Well likely would be, as a single well, uneconomic. As shown in Exhibit "C," the gas from the Well contains 9.6% N2 and 9.5% CO2 restricting the volume of gas that could be sold with, and without, extensive gas processing and compression costs. Should Whiting's play ultimately prove to be commercial, the pipeline alternative would be economic, but not for this Well alone, given current oil and gas assumptions.

8. The names and addresses of all persons owning interests in the Lease are set forth in the Certificate of Mailing attached hereto and incorporated herein by reference.

9. Whiting intends to present additional testimony and evidence at the hearing to fully inform the Board as to the need for relief from the gas flaring limitations presently contained in the Board's regulations.

**WHEREFORE,** Whiting respectfully requests that the Board set this matter for hearing at its next scheduled meeting on February 26, 2014, that notice of such hearing be provided as required by law, and that, following said hearing, the Board enter an Order:

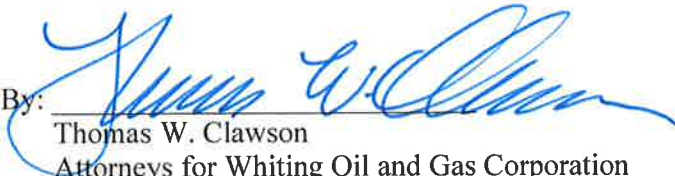
A. Authorizing Whiting to flare or vent produced gas from the Wellington Flats 15-11-18E Well in amounts greater than authorized by R649-3-20.1.1 for a six month period;

B. Making such findings, conclusions, and orders in connection with this Request for Agency Action as it deems necessary; and,

C. Providing for such other and further relief as may be just and equitable under the circumstances.

DATED this 10th day of January, 2014.

**VAN COTT, BAGLEY, CORNWALL & McCARTHY**

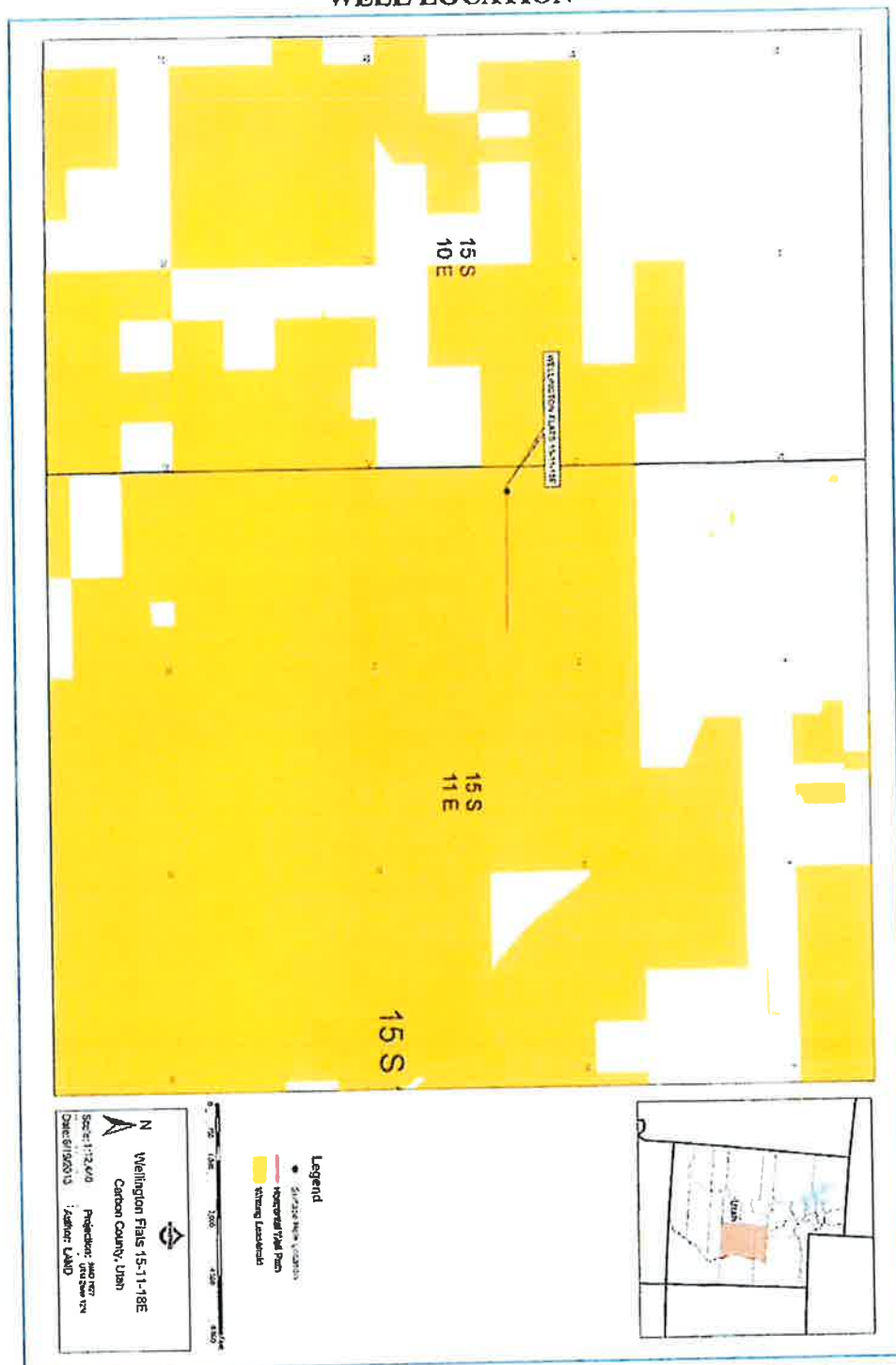
By:   
Thomas W. Clawson  
Attorneys for Whiting Oil and Gas Corporation  
36 South State Street, Suite 1900  
Salt Lake City, Utah 84111  
(801) 532-3333

Petitioner's Address

Whiting Oil and Gas Corporation  
Attn: Paul Joeckel  
1700 Broadway, Suite 2300  
Denver, CO 80290

# EXHIBIT "A"

## WELL LOCATION





# EXHIBIT "C"

## OFFSET WELL AND REPRESENTATIVE CHEMICAL ANALYSIS

Open Range Access, Inc.  
1804 Skyway Dr., Unit D  
Longmont, CO 80504  
(303)952-4083

Print Date Time: 05/22/2013 14:16

Analyzed By: ET  
Meter ID: 2013\_05\_22\_WF\_15-11-18E\_10  
Operator: whiting  
Location: Wellington Flats

Analysis Time: 05/22/2013 13:11 Sample Type: Spot  
Flowing Temp.: 75 Deg. F Flowing Pressure: 100 psig  
Calibration Elevation: 4945 ft Location Elevation: 5500 ft

Comp	UnNorm %	Normal %	Liquids (USgal/MCF)	Ideal (Btu/SCF)	Rel. Density
Propane	1.90433	1.95794	0.54076	49.26367	0.02981
Hydrogen Sulfide	0.0	0.0	0.0	0.0	0.0
Isobutane	0.49297	0.50685	0.16628	16.48226	0.01017
Butane	0.74891	0.76999	0.24336	25.11929	0.01545
Neopentane	0.0	0.0	0.0	0.0	0.0
IsoPentane	0.27039	0.27800	0.10192	11.12268	0.00693
Pentane	0.25972	0.26703	0.09704	10.70434	0.00665
Hexane+	0.35015	0.36000	0.0	0.0	0.0
Nitrogen	9.66849	9.94064	1.09637	0.0	0.09615
Methane	68.21661	70.13676	11.92002	708.38129	0.38849
CarbonDioxide	9.53796	9.80643	1.67776	0.0	0.14901
Ethane	5.81274	5.97636	1.60229	105.76359	0.06205
Hexane	0.0	0.36000	0.14841	17.12144	0.01071
Heptane+	0.0	0.0	0.0	0.0	0.0
Heptane	0.0	0.0	0.0	0.0	0.0
Octane	0.0	0.0	0.0	0.0	0.0
Nonane+	0.0	0.0	0.0	0.0	0.0
Nonane	0.0	0.0	0.0	0.0	0.0
Decane	0.0	0.0	0.0	0.0	0.0
Undecane	0.0	0.0	0.0	0.0	0.0
Dodecane	0.0	0.0	0.0	0.0	0.0
Ethane-	0.0	0.0	0.0	0.0	0.0
Propane +	0.0	0.0	0.0	0.0	0.0
Oxygen	0.0	0.0	0.0	0.0	0.0
Water	0.0	1.74067	0.0	0.0	0.0
Total	97.26226	100.00000	17.59421	943.95856	0.77727
Elevation (-555ft)	0.86591				

Inferior Wobbe	1059.2534 (Btu/SCF)	Superior Wobbe	1076.1294 (Btu/SCF)
Compressibility	0.9973	Density	0.0595 (lbm/ft3)
Real Rel. Density	0.7773	Ideal CV	943.9586 (Btu/SCF)
Wet CV	932.2873 (Btu/SCF)	Dry CV	948.7480 (Btu/SCF)
Contract Temp.	60.0000 (deg F)	Contract Press.	14.7300 (psia)
Number of cycles	1	Connected Stream	1
Atmospheric Pressure	12.2		



## CERTIFICATE OF MAILING

I hereby certify that on this 10<sup>th</sup> day of January, 2014, I caused a true and correct copy of the foregoing Request for Agency Action to be served via U.S. Mail, properly addressed with postage prepaid, upon each of the following:

State of Utah, School and Institutional  
Trust Lands Administration  
675 East 500 South, Suite 500  
Salt Lake City, UT 84102

Whiting Oil and Gas Corporation  
1700 Broadway, Suite 2300  
Denver, CO 80290

Pioneer Oil and Gas  
1206 West South Jordan Pkwy, Unit B  
South Jordan, UT 84095

Don Jared Colton &  
Linda Louise Colton  
2172 Gambel Oak Dr.  
Sandy, UT 84092

Kelly Colton Kommenhoek  
1735 Higan St.  
Meridian, ID 83642

Troy Randall Keetch &  
Wendy Colton Keetch  
6940 Mullien Dr.  
West Jordan, UT 84084

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203 Barbee Road  
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Sandy, UT 84092

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Rachel Elizabeth Colton  
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Sandy, UT 84092

Gregg B. Colton  
65 South Pfeifferhord Dr.  
Alpine, UT 84004

A handwritten signature in blue ink, appearing to read "Jared Colton", is written over the Gregg B. Colton address block.